CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY	East Germany	REPORT	25 X 1
SUBJECT	State Secretariat for the Administration of State Reserves.	DATE DISTR. 12 April NO. OF PAGES 5	1 1954
DATE OF INFO.		REQUIREMENT NO. RD	
PLACE ACQUIRED		REFERENCES	25 X 1
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- 1. The State Secretariat for the Administration of the State Reserves (Staatsse-kretariat fuer die Verwaltung der Staatsreserve) has extended its activities and scope considerably over the past year and now controls large quantities of every kind of commodity. These are stored in depots and warehouses scattered throughout East Germany and are intended to serve not only as a reserve for the KVP but also as a cushion for unexpected changes in the economic plan, for failures in the realization of imports, bad harvests, etc.
- 2. The State reserves are built up primarily on a plan worked out each quarter by the Council of Ministers and implemented by the State Secretariat administering the reserves; they are augmented over and above this plan wherever opportunity offers, as, for example, when a favorable import agreement is concluded, or when there is an unexpected surplus in any particular industry.
- 3. Issues from the State reserve are authorized only by the Council of Ministers, and, with one exception, issue is granted only after approval by this body. The one exception is the department controlling defense orders (Auftragerteilung) for the KVP in the Ministry of the Interior; in this case the State Secretary (Udo Wange) authorizes any issue requested and seeks subsequent approval from the Council of Ministers.
- 4. Issues from the reserve are, with the exception of those going to the KVP, made on a replacement basis, the date of replacement being decided ad hoc by the Council. In order to keep stocks rotating (especially those which suffer deterioration in storage) issues are also regularly "offered" with a demand for their return at a later date. Sometimes the commodity to be returned is different in quality from that issued; an example of this was the Ministerial decree of 5 November 1953 which instructed the State Secretariat to dispose of a stock of 1,000 tons of aluminum alloy to VEBs and private firms and demanded its replacement by 31 December 1953 of the same quantity of pure aluminum.
- 5. In cases where the movement of commodities forming part of the State reserve meets with difficulties, the State Secretariat has priority on the use of railroad

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cars, and where there is urgency, warehouse administrators can secure priority from the RBD $\>$	irst 25X1

- 6. The records of the stocks held at the depots and warehouses under the control of the State Secretariat are at present undergoing a thorough inspection as it has been found that many of them are in a poor condition. The records kept by the firms holding stocks on behalf of the State Secretariat (the so-called "Freundlager") are in worse order, and inspectors report that not infrequently valuable stocks of which the State Secretariat has no knowledge are held, or, alternatively, that stocks appearing in the records have ceased to exist. This is being remedied to some extent by arranging for the transfer of stocks held by firms on behalf of the State Secretariat to warehouses directly under its control.
- 7. In Appendix A is a list of these directly controlled warehouses, together with an indication of the type of stocks usually held at each. Appendix B is a complete schedule of the planned additions to the State reserves during the fourth quarter of 1953, together with a list of some of the issues to be made on a replacement basis. Appendix C shows the organization of the State Secretariat as of 1 October 1953.

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APPENDIX A

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List of Depots and Warehouses under the Control of the State Secretariat for the Administration of the State Reserves as of 1 October 1953.

Number	Place	Address	Type of Storage
I	Tangermuende	Arneburgerstrasse 37	Food, tires, vehicles, paper:
A IA III	Koethen Groeningen Leipzig Heidenau	Leninstrasse 35 Wittenbergerstrasse lb Pirnaerstrasse 31/33	Food. Food, leather. Nonferrous metals. Food, textiles, leather, rubber, pharmaceuticals.
AIII AII AI	Oberlungwitz Stol]berg Lommatzsch Niederau	(Feinstrumpfwerk) Schillerstrasse 4 Raubaerstrasse 2 Weinboehlerstrasse 7	Textiles. Food. Metals, chemicals, rubber, cotton.
X IIX IIIX VIX VV VV VV	Forst Auerswalde Oranienburg Gornsdorf Erfenschlag Waldenburg	Gubenerstrasse 5 Altmanstrasse 1 Zeppelinhalle Am Wiesengrund 3 Faul-Franke-Strasse 6 Langechursdorferstrasse 11- Georgenstrasse 19	Coal, paper, textiles. Metals, food, vehicles. Tires, rubber. Metals, textiles.
XX XVIII XVIII	Spitzkunnersdorf Velten Ruedersdorf Ostritz	Hafenstrasse Hainitzstrasse 10 Jutespinnerei	Gasoline, coal. Cement. Textiles, chemicals, vehicles.
XXI	(ii) (iii)	Bernburgerstrasse la Brahmerstrasse 22 Georg-Treu-Flatz DSU am Hafen DSU Pieschener Allee	Metals, chemicals. Chemicals, paint. Food. Coal, gasoline. Coal.
IIIXX VIXX VXX IVXX IIVXX	Reichenbach Rodewisch Guben Thalheim Hormersdorf	An der Bachgasse Wernesgruenderstrasse 74b Feldstrasse 2 - 3a Jahnsdorferstrasse 6	Leather. Pharmaceuticals. Oil.
XXVIII		DSU Riesa, Oschatzerstrasse 8a Stahlwerk	Metals, gasoline.
XXX XXIX	Magdeburg Barby	DSU Magdeburg, Handelshafen DSU Barby sport und Ladegesellschaft	Coal, food, chemicals.
AIXXX IIXXX IIXXX IXXX	Dessau Torgau Fuerstenberg/Oder Frankfurt/Oder	DSU Dessau, Wallritzhafen DSU Torgau, Hafen DSU Fuerstenburg, Neuer Haf DSU Frankfurt, Ziegelstrasse 19.	Coal. Coal. Cen Coals, metals.
XXXXXII 3	Hennigsdorf Peenemuende Anklam Demmin Berlin-Adlershof		Coal. Coal. Coal. Coal. Gasoline.

APPENDIX B

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Schedule of Planned Additions to the National Reserves, 1 October to 31 December 1953.

Commodity	Planned Storage	Replacements	Supplementary Storaging	<u>Total</u>	Issues from Stock (for later restoraging) (Waelzplan) Rolling mill production plan.
A. Ferrous Meta (in tons)	ls				
Crude steel Steel shapes Fine sheet Medium sheet Coarse sheet Ship's plate	50,000 2,000 2,000 300	939 1,687 301 1,848	800 800	50,000 2,939 2,487 1,101 3,848 300	
Seamless tubes Rails Rolled wire Bars Ferromanganese	900 3 00 500	897 373	400 2,000	2,197 300 500 2,373	50
Ferrosilicon Ferrotungsten	213			213	151
B. Nonferrous Me (in tons)	etals				
Zinc Tin Bronze	600 25 1 50			600 25 150	
C. Basic Materia				-	
Coal (hard) Diesel fuel Gasoline Motor oil Rubber Caustic soda Raw cotton	30,000 1,250 1,250 20 650 4,500	7 , 996		37,996 1,250 1,250 20 650 4,500	11,327 7,090 2,582 200 680
D. Food	4,900			4,9,000	
Sugar 4	40,000			40,000	
E. Miscellaneous					
Tires Lead tetraethyl Tar Paper Railway sleeper	75 t	tons		9,000 97 75 400 750	2 , 418

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APPENDIX C

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Organization of the State Secretariat for the Administration of State Reserves as of 1 October 1953.

State Secretary: Udo Wange

(Personal Assistant -Irmgard Such)

Deputy: Emil Mader.

Party affairs:

Administration: Kessinger (fnu)

Richard Jahnel

Planning Department: Finance Department:

Registry:

Schlesinger (fnu) Kurt Seidel Hanna Synatschke

Staff affairs: Sassa (fnu)

Storage and Warehouse Division

Warehouse Administration:

Head: Gerhard Kroecher

Manufactured Goods Division

Head: Herbert Mathe Head: Emil Mader

Pharmaceutical products: Wolfgang

Kretzschmer.

Metallurgy: Eberhard Waschke Precision instruments Optical goods. Electrical goods.

Engineering products and vehicles)
Textiles, leather: Hermann (fnu) Coal, coke, POL, rubber: Heinz Neurath Building materials, timber) Hans Hein Chemicals

Purchases: ? Heinz Tabbert

Food Division

Maintenance and

turnover?

Fritz Lippold. Mined products) Kurt Zube Chemicals

Mineral oils Engineering: ? Electrical products: ? Precision and optical instruments: ?

Textiles and leather: Rosche. Pharmaceuticals: Erich Bunk Paper, wood and building

materials: Else Neubert. Purchases and warehouse supplies: ?

Comments:

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This warehouse is to be given up and cleared by the end of the year.

2. This warehouse may be given up after clearance.

It should be noted that the Roman numbering of these warehouses is arbitrary. In a previous list the order was different. Roman numerals appear to be de rigeur.

Comment. Unit of measurement expressed as qm (sic).

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